



New Law Makes All Sales and Purchases of Counterfeit Goods Taxable

If you are convicted of trafficking counterfeit goods, then all of your sales and purchases of these counterfeit goods will be taxable. This applies whether you are a manufacturer, wholesaler, distributor, or a retailer of the counterfeit goods. You may no longer claim a resale deduction for the sale of counterfeit goods, and any purchases of counterfeit goods for resale would also be taxable.

The new law, Assembly Bill 2681 (Stats. 2014, Ch. 477), provides California State Board of Equalization (BOE) investigators with another tool to use in their efforts to stop the sale of counterfeit goods. The BOE may bill a convicted trafficker of counterfeit goods for unpaid sales or use tax, and by doing so, discourages the criminal sale of counterfeit goods and levels the playing field for all businesses.

If you are a manufacturer, wholesaler, distributor, or a retailer of noncounterfeit goods, your sales are unaffected by this law. However, sales of counterfeit goods may negatively affect your business or community. If you suspect counterfeit goods are being sold, please visit our [TRaCE Task Force website](#). There, you will find information on how the BOE is teaming up with other agencies to combat illegal business activities and how to report a crime.

Tax Repayment Available for Qualified Itinerant Veteran Vendors

If you are a qualified itinerant veteran vendor, you may file a [BOE-101, Claim for Refund or Credit](#), to receive a repayment of sales tax, interest, and penalties you paid to the BOE on sales of items of \$100 or less (excluding alcoholic beverages).

You may be eligible if you meet all the conditions listed below:

- Are a veteran who received an honorable discharge from the United States Armed Forces;
- Are a sole proprietor with no employees;
- Have no permanent place of business in this state;
- Are unable to obtain a livelihood by manual labor due to a service connected disability; *and*
- Did not collect sales tax reimbursement from your customers during the period from April 1, 2002, to March 31, 2010.

Examples of qualified itinerant veteran vendors include:

Swap meet or flea market vendors, lunch wagon operators, caterers, and coffee cart providers.

Examples of goods and services commonly sold by qualified itinerant veteran vendors include:

Meals, firewood, fireworks, automotive tools, home repair services, and mobile windshield repairs.

Refund requests must be submitted to the BOE before January 1, 2016. The repayment amount will be reduced by any amounts previously refunded, credited, or paid to you. Additionally, there is a limit on the total repayments allowed; therefore, the BOE will prorate the repayment amounts according to the total valid claims received before January 1, 2016.

For more information, please see [Assembly Bill 919](#).

Certain Retailers of Trailers, Construction Equipment, and Farm Equipment Are Required to Collect the California Tire Fee

- If you sell any type of trailer that will be pulled upon a highway or road and is equipped with new tires, you are required to register with the BOE for a tire fee account and collect the tire fee from your retail customer on all new tires included with the sale of a new or used trailer.
- If you sell new or used construction or farm equipment that are equipped with new tires, you are required to register with the BOE for a tire fee account and collect the tire fee on all new tires included with the sale of construction or farm equipment to a retail customer.
- Sales of new tires that are sold to retail customers as replacement tires for trailers, construction equipment, or farm equipment are subject to the tire fee.

If you are already registered with a seller's permit and you plan to start selling trailers that can be pulled upon the highway, construction equipment, or farm equipment, please call our Customer Service Center at 1-800-400-7115 (TTY:711); in the main menu, choose the *Special Taxes and Fees* prompt.

For information regarding the California Tire Fee and how to register for a tire fee account, please see [publication 91](#), *California Tire Fee*, located on the BOE's website at www.boe.ca.gov.

Are You Selling or Closing a Business or Changing Ownership?

As a permit holder, it is your responsibility to inform the BOE of any changes to your seller's permit. These changes include selling your business, changing ownership of your business, or closing your business. You must inform the BOE when any one of the following occurs:

- You are no longer actively engaged in business;
- You sell your business or stock of goods to someone else;
- You change the type of ownership for your business (for example, from a sole proprietorship to a corporation, partnership, a LLC, or a LLP); *or*
- You add or drop a partner, and your partnership agreement calls for dissolution of the partnership and the formation of a new partnership when a change in partners occurs.

Any one of these changes will result in a closeout of the seller's permit, and as such, we will need the following information:

- The date you stopped being actively engaged in business or changed the type of ownership;
- Your reason for not being actively engaged in business (for example, change of ownership);
- The name(s) of any partner(s) who have disassociated themselves from or have been added to the partnership, with effective dates;
- How you disposed of your resale inventory, fixtures, and equipment. If you sold any of these items, you will need to disclose the selling price. If you sold your entire business or resale inventory, you need to provide the selling price, the name of the buyer, and a copy of the bill of sale or purchase agreement with the amount of the purchase price;
- The purchase price of any inventory retained for your own personal use, which results in the use tax being due;
- Your current mailing address, daytime telephone number, and email address;
- The address where you retain your books and records;
- Your copy of the seller's permit, if available; *and*
- Your business website address, if available.

Failing to notify the BOE of these changes could result in being held liable for taxes, interest, and penalties incurred after you no longer own or operate the business. When you are ready to close out your seller's permit, fill out and mail a [BOE-65](#), *Notice of Closeout for Seller's Permit*, to us. You can also read [publication 74](#), *Closing Out Your Seller's Permit*, for more information. Our staff will review your information and may contact you if additional information is needed.

Filing the final tax return is very important. Even though you have closed out your seller's permit, you must still report your sales up to the closeout date. You will need to file your final sales and use tax return and any prior returns (including prepayments) which you have not yet filed. This includes any sales of fixtures or equipment that occurred as part of the closure or sale of your business. You must also report any inventory you intend to retain for your own use if that inventory was purchased without payment of sales tax.

Once you have completed these steps, you must keep your sales and use tax records for four years to resolve any questions that may come up regarding the period of time you were actively engaged in business.

If you have a related special tax permit, license, or account(s) that need to be changed, you can notify Special Taxes of these changes by completing a [BOE-345-SP](#), *Notice of Business Change*; the mailing address is located on the form.

For assistance, please call our Customer Service Center at 1-800-415-7115 (TTY:711).



Reminder From Our Mailroom

We have included some helpful tips to keep in mind when preparing to mail in your return to the BOE.

- Need help locating your taxpayer account number? You can locate your taxpayer account number on your returns or by calling our Customer Service Center at 1-800-400-7115 (TTY:711), option 2. Please add your account number to the memo section of your check.
- Please do not staple or paperclip your check to your return. This will help avoid delays in applying your payment and allow us to process your return more efficiently.
- Be sure we can read the amount of your payment. If your payment amount is not legible, it further delays processing, and your check may be returned to you for additional information.
- Do the legal written and numerical amounts on your check match? We are unable to process checks which have different amounts. Please assist us by verifying the amount of your payment.
- Loose coins? Save them for your penny jar! During the opening and sorting process, loose coins may be inadvertently separated from your return. Coins can cause issues with our machinery that could damage the machines or your documents.
- We include BOE envelopes that are routed directly to us via bar code for your convenience. Please remember to use these envelopes only for official BOE business correspondence.
- If you're addressing your own envelope to the BOE, make sure to include the 4-digit extension on the zip code, if provided. An example would be 95814-3535, this helps route your mail to the correct area more quickly, thus expediting the processing of your payment.

Where Has My Payment Gone?

Have you ever wondered why the payment you mailed has taken more time than you think it should to be applied to your account? Quite often, the BOE receives payments without the payment voucher attached. Missing vouchers require employees to research the payment and attempt to apply it to the correct account and billing period. It is highly recommended to include either a copy of your notice or payment voucher, and if you owe for more than one period, you should specify what period you want the payment applied to. Additionally, in the memo section of your check, please include your account number to ensure the payment is applied correctly. Don't forget, you can make check payments online at https://efile.boe.ca.gov/boe/boe_login.jsp free of charge.

Joe C. Dollar
123 Thrifty Drive
Mint City, NC 22222

1554
December 17, 2014 Date

Pay to the Order of **State Board of Equalization** \$ **526.00**

Five Hundred Twenty Six Dollars Dollars

The Money Bank
Mint City, North Carolina
123-456789

Memo **Joe C. Dollar**

New and Revised Publications July through December 2014

Number	Title	Date
Pub 25	Auto Repair Garages and Service Stations	07/14
Pub 32	Sales to Purchasers from Mexico	11/14
Pub 34	Motor Vehicle Dealers	08/14

New and Revised Publications July through December 2014 (cont'd)

Number	Title	Date
Pub 36	Veterinarians	11/14
Pub 39A	Emergency Telephone Users (911) Surcharge	10/14
Pub 46	Leasing Tangible Personal Property	07/14
Pub 47	Mobilehomes and Factory-Built Housing	11/14
Pub 51	Resource Guide to Free Tax Products and Services for Small Businesses	08/14
Pub 52	Vehicles and Vessels: How to Request a Use Tax Clearance for DMV Registration	08/14
Pub 66	Agricultural Industry	10/14
Pub 68	Photographers, Photo Finishers, and Film Processing Laboratories	11/14
Pub 76	Audits	12/14
Pub 94	Occupational Lead Poisoning Prevention Fee	07/14
Pub 117	Filing a Claim for Refund	10/14
Pub 120	Cell Phones and Other Wireless Telecommunication Devices	07/14
Pub 122	Buying and Selling Dogs, Cats, and Other Nonfood Animals	11/14
Pub 152	Cigarette and Tobacco Product Inspections	08/14
Pub 159EFT	Guide to Online Filing for Sales and Use Tax EFT Accounts	08/14
Pub 161	Criminal Citations Include a Civil Administrative Process	08/14
Pub 178	Voluntary Disclosure Program	11/14
Pub 201	Special Taxes and Fees Newsletter	12/14
Pub 204	Special Taxes and Fees Cigarette and Tobacco Products Newsletter	12/14
Pub 235G	Tax Exemption for Farm Solar	10/14
Pub 256	Lumber Products and Engineered Wood Products	09/14
Pub 281G	Tax Help for the Restaurant Industry	11/14
Pub 329	Economic Perspective	7/14, 10/14, 12/14
Pub 388	Tax Information Bulletin	9/14, 12/14
Pub 389	Taxable Sales in California	1st and 2nd Qtr 2013
Pub 439	Online Services	09/14
Pub 445	TRACE	10/14
Pub 536	Working for a Stronger California	10/14

New and Revised Translated Publications July through December 2014

Number	Title	Date
Pub 25	Tax Tips for Auto Repair Garages and Service Stations (Spanish)	7/14
Pub 152	Cigarette and Tobacco Product Inspections (Chinese, Spanish, and Vietnamese)	8/14
Pub 161	Criminal Citations (Chinese, Spanish and Vietnamese)	8/14
Pub 399	Glossary of Words and Phrases – Translated (Chinese, Korean, Spanish, and Vietnamese)	9/14
Pub 439	Online Services (Chinese, Korean, Spanish, and Vietnamese)	9/14